continuing violation, as determined by the Secretary, each day shall constitute a separate violation.

"(b) VIOLATIONS FOR WHICH A PENALTY MAY BE IMPOSED.—

"(1) VIOLATIONS.—The Secretary may impose a civil money penalty under subsection (a) for any knowing and material violation by a mortgagee or lender as follows:

"(A) Except where expressly permitted by statute, regulation, or contract approved by the Secretary, transfer of a mortgage insured under this Act to a mortgagee not approved by the Secretary, or transfer of a loan to a transferee that is not holding a contract of insurance under title I of this Act.

"(B) Failure of a nonsupervised mortgagee, as defined by the Secretary—

"(i) to segregate all escrow funds received from a mortgagor for ground rents, taxes, assessments, and insurance premiums; or

"(ii) to deposit these funds in a special account with a depository institution whose accounts are insured by the Federal Deposit Insurance Corporation through the Bank Insurance Fund for banks and through the Savings Association Insurance Fund for savings associations, or by the National Credit Union Administration.

"(C) Use of escrow funds for any purpose other than that for which they were received.

"(D) Submission to the Secretary of information that was false, in connection with any mortgage insured under this Act, or any loan that is covered by a contract of insurance under title I of this Act.

"(E) With respect to an officer, director, principal, or employee—

"(i) hiring such an individual whose duties will involve, directly or indirectly, programs administered by the Secretary, while that person was under suspension or withdrawal by the Secretary; or

"(ii) retaining in employment such an individual who continues to be involved, directly or indirectly, in programs administered by the Secretary, while that person was under suspension or withdrawal by the

Secretary.

"(F) Falsely certifying to the Secretary or submitting to the Secretary a false certification by another person or entity.

"(G) Failure to comply with an agreement, certification, or condition of approval set forth on, or applicable to—

"(i) the application of a mortgagee or lender for approval by the Secretary; or

(ii) the notification by a mortgagee or lender to the Secretary concerning establishment of a branch office.

"(H) Violation of any provisions of title I, n, or X (as such title existed immediately before the effective date of the Department of Housing and Urban Development Reform Act of 1989) of this Act or any implementing regulation or handbook that is issued under this Act.

"(2) NOTIFICATION TO ATTORNEY GENERAL.—Before taking action to impose a civil money penalty for a violation under